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To: NRC5/USDA From: Larry Wagner
Fax: 202-720-4265 Pages: 6
Phone: _____ Date: 3-1-04
Re: _____ CC: _____

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• Comments: _____

attn. David McKay

Conservation Security Program Comments

Conservation Security Program Comment Sheet

Publication of the proposed rule for the Conservation Security Program (CSP) on January 2, 2004, marks the start of the 60-day public comment period. Public comment will be an important part of creating the Conservation Security Program. You may access it via the Internet through the NRCS home page at <http://www.nrcs.usda.gov>. Select "Farm Bill." People can submit comments to david.mckay@usda.gov or mail their comments to Conservation Security Program Comments, ATTN: David McKay, Conservation Operations Division, NRCS, P.O. Box 2890, Washington, D.C. 20013.

Comments are sought on all facets of the program. The intent of this document is to summarize those areas. You are encouraged to refer to the proposed rule publication for detailed information.

1. **Preferred Approach (page 197):** Under the constraints of a capped entitlement, the Secretary has proposed ways to still deliver an effective CSP program. NRCS is proposing an approach based on five elements. Comments are requested on this overall approach:

- **Limit sign-ups:** Conduct periodic CSP sign-ups
- **Eligibility:** Criteria should be sufficiently rigorous to insure that participants are committed to conservation stewardship. Additionally, eligibility criteria should ensure that the most pressing resource concerns are addressed.
- **Contracts:** Requirements should be sufficiently rigorous to ensure that participants undertake and maintain high levels of stewardship.
- **Enrollment categories:** Prioritize funding to insure that those producers with the highest commitment to conservation are funded first.
- **Payments:** Structure payments to ensure that environmental benefits will be achieved.

(A more detailed description of this approach can be found on page 197 under the heading *NRCS Preferred Approach*.)

Comments:

*I feel to be eligible, the
producer would have to be in the
same practice equal to Tier 2*

2. **Funding Enrollment Categories (page 198, 3rd column).** Under "4. Prioritize Funding To Ensure That Those Producers With the Highest Commitment to Conservation Are Funded First," NRCS is inviting comment on how to handle situations where there may be insufficient funds for all enrollment categories.

Feb. 10. 14

Comments: I would suggest funding
water quality + quantity, first best soil fertility
second

3. **Enhancement Activities** (page 199, column 1 and 2). The Statute offers five types of enhancement activities and NRCS is seeking comments on the following concepts:

- The improvement of a significant resource concern to a condition that exceeds the requirements for the participant's tier of participation and contract requirements.
- An improvement in a priority local resource condition.
- Participation in an on-farm conservation research, demonstration or pilot project.
- Cooperation with other producers to implement watershed or regional resource conservation plans that involve at least 75% of the producers in the targeted area.
- Implementation of assessment and evaluation activities relating to practices included in the CSP.

Comments: I feel that this should be done a producer
by producer basis rather than regional basis
with producer participating in research + demo projects

4. **Alternative Approaches** (page 199 and 200). In addition to the preferred approach, NRCS considered several alternatives. NRCS is seeking comments on the proposed approach and these alternatives.

- Use enrollment categories to prioritize CSP resources in high priority watersheds identified by NRCS administrative regions.
- Apportion the limited budget according to a formula of some kind, for example by discounting each participant's contract payment equally.
- Close sign-up once available funds are exhausted.
- Limit the number of tiers of participation offered.
- Only allow historic stewards to participate – only those who have already completed the highest conservation achievement would be funded.

Comments: funding those who already have
many conservation practices in place

5. **Limited Resource Producers** (page 201, column 3). NRCS welcomes examples and suggestions for identifying conservation opportunities related to limited resource operations. Comments regarding how other programs could best help limited resource

and other less capitalized producers to become eligible for CSP, given the stewardship standards to participate, are also welcome.

Comments: By having producers attend meetings
to learn how to do practices at lesser
costs

6. **Leveraging CSP** (page 201, column 3). NRCS is seeking comment on the opportunity to use CSP in a collaborative mode with other programs to effectively leverage the Federal contribution to resource improvement and enhancement.

Comments: By using ~~EATIP~~ EATIP, WHTP, and
other programs to make improvements

7. **Leveraging CSP** (page 202, column 1). NRCS is seeking comment on how to implement a program that uses collaboration and leveraging of funds to achieve resource improvements on working agricultural lands through intensive management activities and innovative technologies.

Comments: By giving technical assistance for
management activities

8. **Environmental Performance, Evaluation and Accountability** (page 202, column 3). NRCS welcomes comments and suggestions for designing and implementing evaluation approaches, and suggestions as to what data and information would be most useful to ensure a high level of accountability for CSP.

Comments: Evaluate water quality, grass
management and soil erosion

9. **Significant Resource Concerns** (page 203). NRCS is proposing to designate water quality and soil quality as nationally significant resource concerns. NRCS requests additional public comment on the use of nationally significant resource concerns.

Comments: ~~It is not the priority of the~~
~~land for a fee. Native grassland~~
~~should be a significant resource concern~~

10. Definition of Agricultural Operation (page 205, column 2). The Act refers to "agricultural operation" without defining the term. NRCS has evaluated various definition alternatives and is seeking comment on their chosen proposed definition found on page 205, column 2. This definition is the same as used in the Great Plains Conservation Program (GPCP).

Comments: _____

11. Incidental Forest Land (page 206, column 1). Forestland offered for inclusion in a CSP contract as an incidental part of the agricultural operation must meet the guidelines listed on page 206, column 1. NRCS is seeking comments on the usefulness of these guidelines for managing questions relative to the inclusion of incidental forested lands in CSP contracts.

Comments: _____

12. Incidental Forest Land Treatment (page 206, column 1). Another issue that NRCS seeks guidance on is the question of what level of treatment should be required for the forestland that is included in the CSP contract as land incidental to the agricultural operation?

Comments: _____

13. Enhancement Payments (page 206, column 3). NRCS seeks additional comments on the construction and calculation of enhancement payments.

Comments: I am satisfied with what our
State of South Dakota NRCS proposed

14. **Contract Limits** (page 206, column 3). NRCS seeking additional comments on the idea of a one-producer, one-contract approach brought up by the respondents to the Advanced Notice of Proposed Rule.

Comments: *If a producer has 1 contract they need to have the ability to add or remove land. Example if the purchase or lease land or lose a lease on land.*

15. **Administration** (page 208, column 2). One important aspect of CSP administration is the procedures NRCS will follow if NRCS receives more eligible applications than it can fund. NRCS is specifically seeking comment on how to select the contracts of the pool of eligible producers to best serve the purpose of the program.

Comments: *They should be limited. The funding should go to the producers with the most conservation practices in place.*

16. **Changes in Landuse** (page 209, column 3). In some instances a management decision may be made that causes a major shift in land use, such as changes from a less intensive use or from a more intensive landuse. This change in land use may change the base payment eligibility. NRCS is asking comment on how this situation can be addressed in the rule.

Comments: *The payment should go up to the better land use.*

17. **Eligibility Requirements** (page 210, column 1). Concerns were expressed through the Advanced Notice of Proposed Rule process that producers not accept stewardship payments while at the same time operating land outside the CSP contract at a less-than-acceptable level of treatment. NRCS is seeking comments on this provision.

Comments: *I think the land should be at a acceptable level.*

18. **Eligibility Requirements** (page 210, column 2). Producers who have historically met or exceeded the requirements, in some cases, may have endured a flood, fire, or other event that has either destroyed or damaged practices that would have made them eligible for CSP. NRCS is seeking comment on whether there should be any special dispensation or consideration given for this situation.

Comments: There should be special consideration
given for these things beyond producers
control

19. **Eligibility Requirements** (page 210, column 3). As a contract requirement, the participant will be required to do additional conservation practices, measures, or enhancements as outlined in this section and in the sign-up announcement. NRCS is seeking comment on these minimum eligibility and contract requirements.

Comments: I would agree with what is
outlined in this section

20. **Eligibility Requirements** (page 210, column 3). NRCS is also seeking comments on the utility of a self-screening tool (both Web-based and hardcopy) to assist producers in determining if they should consider application to CSP. Should this self-screening tool be a regulatory requirement as described in the proposed rule?

Comments: No most producers don't understand
what it would take to qualify

21. **Enrollment Categories** (page 211, column 1). NRCS proposing to fund as many subcategories within the last category to be funded as possible. Additionally, NRCS is seeking comments on whether the remaining subcategories should be offered pro-rated payments, or not funded at all

Comments: _____

22. Enrollment Categories (page 211, column 1). NRCS is seeking comments on whether it should partially fund applications, or whether only those categories and subcategories that could be fully funded would be offered a CSP contract.

Comments: only categories that can be fully funded should be offered

23. Conservation Practices (page 211, column 3). NRCS is proposing to utilize the new practice component of CSP to provide cost-share when practices are needed, although at a lower cost share than other USDA programs, to minimize redundancy between CSP and other existing USDA conservation programs. NRCS seeks comment on whether this approach will encourage participants to install practices through other programs in order to become eligible for CSP.

Comments: yes it will

24. Technical Assistance (page 211 and 212). CSP technical assistance tasks identified include: 1) Conduct the sign-up and application process; 2) Conduct conservation planning; conservation practice survey, layout, design, installation, and certification; 3) Training, certification, and quality assurance of professional conservationists; and 4) Evaluation and assessment of the producer's operation and maintenance needs. NRCS is seeking comments on which tasks would be appropriate for approved or certified Technical Service Providers.

Comments: Technical assistance should be provided for task 1-2-4

25. Additional Requirements for Tier I and Tier II (page 212, column 2). NRCS is proposing that CSP participants must address the following by the end of their contract:

- Tier I contracts must address the national significant resource concerns and any additional requirements as required in the enrollment category or sign-up announcement; and

- Tier II would require a significant resource concern, other than the national significant resource concerns, to be selected by the applicant over the entire agricultural operation.

NRCS is seeking comment on the value of these additional requirements for Tier I and II contracts in order to maximize the environmental performance of the CSP program.

Comments: *I feel they would be very valuable ~~that~~ valuable because they would create more conservation practices*

26. **Tier Transition** (page 212, column 2). NRCS is proposing a mechanism for a participant to transition to a higher tier of participation and is seeking comment on this proposal (see page 212).

Comments: *A producer should be allowed to progress to a higher tier if the producer puts more conservation practices in place on their operation*

27. **Contract Noncompliance** (page 212, column 3). If the participant cannot fulfill his CSP contract commitment, the contract calls for the participant to refund any CSP payments received with interest, and forfeit any future payments under CSP. NRCS is interested in comments on this and other concerns that the public might have on noncompliance with the CSP contract requirements.

Comments: *I think this would be fair*

28. **Rental Payment Reduction Factor** (page 213, column 1). NRCS is seeking comment on whether the reduction factor should be fixed or variable over the life of the program, with the 0.1 factor being the upper limit.

Comments: *I think it needs to be variable to stay in line with rental rates in the public sector*

29. **Assessment and Evaluation** (page 214, column 1). NRCS is seeking comments on which assessment and evaluation projects would most benefit from the involvement of CSP participants and would be most useful for program evaluation.

Comments: What the improvement is in soil
Water and soil quality,

30. **Enhancement Activity Payments** (page 214, column 1). NRCS is seeking comments on how to determine the appropriate payment rates for those types of enhancement activities where the payment is intended to encourage producers to change their mode of operation, but not necessarily to offset additional or more expensive activities.

Comments: _____